

HOUSE BILL 490

Q1

2lr2565

By: **Delegate Stukes**

Introduced and read first time: February 2, 2012

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sales – Payment to Redeem Foreclosed Property**

3 FOR the purpose of authorizing the holder of a tax sale certificate to be reimbursed for
4 certain postage and mailing expenses that are actually incurred if the property
5 is redeemed before an action to foreclose a right of redemption is filed; requiring
6 a certain notice of foreclosure to include language indicating that certain
7 postage and mailing expenses are expenses included in the amount necessary to
8 redeem the property if the property is redeemed before an action to foreclose a
9 right of redemption is filed; and generally relating to tax sales.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – Property
12 Section 14–833(a–1)(3) and 14–843(a)(3)
13 Annotated Code of Maryland
14 (2007 Replacement Volume and 2011 Supplement)

15 BY repealing and reenacting, without amendments,
16 Article – Tax – Property
17 Section 14–843(a)(1), (2), and (4)
18 Annotated Code of Maryland
19 (2007 Replacement Volume and 2011 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article – Tax – Property**

23 14–833.

24 (a–1) (3) The notices required under this subsection shall include at least
25 the following:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) a statement of the fact of the issuance of a certificate of sale;

2 (ii) a copy of the certificate of sale, if the holder of the certificate
3 of sale received the certificate of sale before the notice was sent under this paragraph;

4 (iii) a statement that the owner, a mortgage holder, or any other
5 person that has an estate or interest in the property may redeem the property at any
6 time until the right of redemption has been finally foreclosed under the provisions of
7 this subtitle;

8 (iv) a statement that the holder of the certificate of sale may file
9 an action to foreclose the right of redemption at any time after 2 months from the date
10 of the first notice;

11 (v) a statement that if the property is redeemed before an action
12 to foreclose the right of redemption is filed, the amount that shall be paid to redeem
13 the property is:

14 1. the total lien amount on the property at the time of
15 sale, with interest;

16 2. any taxes, interest, and penalties paid by the holder of
17 the certificate of sale;

18 3. any taxes, interest, and penalties accruing after the
19 date of the tax sale; and

20 4. the following expenses incurred by the holder of the
21 certificate of sale:

22 A. costs for recording the certificate of sale;

23 B. a title search fee, not to exceed \$250; [and]

24 C. **THE POSTAGE AND CERTIFIED MAILING COSTS**
25 **ACTUALLY INCURRED FOR MAILING THE FIRST AND SECOND NOTICES; AND**

26 D. reasonable attorney's fees, not to exceed \$500;

27 (vi) a statement that if the property is redeemed after an action
28 to foreclose the right of redemption has been filed, the amount that shall be paid to
29 redeem the property is the sum of:

30 1. the total lien amount on the property at the time of
31 sale, with interest;

1 (IV) reasonable attorney's fees, not to exceed \$500.

2 (4) If an action to foreclose the right of redemption has been filed, the
3 plaintiff or holder of a certificate of sale may be reimbursed for:

4 (i) attorney's fees in the amount of:

5 1. \$1,300 if an affidavit of compliance has not been filed,
6 which amount shall be deemed reasonable for both the preparation and filing of the
7 action to foreclose the right of redemption; or

8 2. \$1,500 if an affidavit of compliance has been filed,
9 which amount shall be deemed reasonable for both the preparation and filing of the
10 action to foreclose the right of redemption;

11 (ii) in exceptional circumstances, other reasonable attorney's
12 fees incurred and specifically requested by the plaintiff or holder of a certificate of sale
13 and approved by the court, on a case by case basis; and

14 (iii) if the plaintiff or holder of a certificate of sale provides a
15 signed affidavit attesting to the fact that the expenses were actually incurred, the
16 following expenses actually incurred by the plaintiff or holder of a certificate of sale:

17 1. filing fee charged by the circuit court for the county in
18 which the property is located;

19 2. service of process fee, including fees incurred
20 attempting to serve process;

21 3. a title search fee, not to exceed \$250;

22 4. if a second title search is conducted more than 6
23 months after the initial title search, a title search update fee, not to exceed \$75;

24 5. publication fee charged by a newspaper of general
25 circulation in the county in which the property is located;

26 6. posting fee;

27 7. postage and certified mail;

28 8. substantial repair order fee, not to exceed the fee
29 charged by the government agency issuing the certificate of substantial repair; and

30 9. any court approved expense for stabilization or
31 conversion of the property under § 14-830 of this subtitle or in accordance with an

1 action taken against the property by the county in which the property is located in
2 accordance with the applicable building, fire, health, or safety codes.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 2012.